



20 Questions & Answers about the Transportation Impact Fee (TIF) program

06/15/05

- Q1. What is the Transportation Impact Fee (TIF) program?
- A1. The purpose of the Transportation Impact Fee (TIF) program is to provide funding for construction of transportation facilities needed to support traffic generated by new development to meet State law requirements. Per Board of Supervisors ordinance, effective June 19th, 2005, the Department of Public Works is required to collect a TIF at or before the building permit issuance for projects that generate traffic.
- Q2. How can I view the Transportation Impact Fee Reports?
- A2. You can view the entire document online at www.sdcountry.ca.gov/dpw/permits-forms/manuals.htm or at the LD Counter at 5201 Ruffin Rd, Suite D. For other questions and TIF related information please call the Department of Public Works Land Development counter at (858)694-2055.
- Q3. What kinds of development, or land uses, will be charged these impact fees?
- A3. All new development that generates traffic will be required to pay these fees. This includes residential, commercial, industrial, schools, and parks.
- Q4. I am a fire victim, do I have to pay this fee to rebuild my home?
- A4. No. The proposed program specifically excludes fire victims
- Q5. If I add a bedroom or other addition to my existing home, will I have to pay the impact fee?
- A5. No. The fee will not apply to alterations such as this, as long as it does not change the occupancy classification as defined by the building code. For example, as long as your alteration does not change the classification from Single Family Residential to Multi-Family Residential you would not be charged this fee.
- Q6. If I own an existing legal lot, but have not built on it yet, will I need to pay the fee?
- A6. Yes. If you are building a home or any facility that is going to generate traffic, you will be charged the fee. The only exception would be if the subdivision of land that created your lot prepared a cumulative traffic study to identify impacts and then fully mitigated that portion of the impacts by building road improvements. The program has provisions to allow adjustment of the fee or exemption under such circumstances.

- Q7. When and how will I actually have to pay the impact fees?
- A7. Fees will typically be collected at building permit issuance. They may be collected sooner if desired by the developer or when a proposed project will not involve issuance of a building permit, such as a use permit.
- Q8. When looking at the impact fee structure, there are different rates for different areas of the County. How can I find out which fee-area my property is in?
- A8. The unincorporated county has been divided into three regions (North, South, East) for the regional portion of the fee, and then further divided by community for the local portion. The regions and communities may be viewed in the TIF report available on line or at the DPW Land Development Division at 5201 Ruffin Rd, Suite D.
- Q9. How will the impact fee money be accounted for, and who will be responsible for managing it?
- A9. Fees collected in a local planning area stay in that planning area. The fees for each community plan area will be kept in separate accounts for use on roads only in the community plan area or the Regional area the community is in. DPW will manage these accounts much like the developer deposit accounts for roadway improvements are currently managed.
- Q10. What about roads with existing problems or deficiencies. Will these impact fees be used to fix those existing problems?
- A10. No. These impact fees can only be used to fund road improvements, or portions of road improvements, that are needed to accommodate future development. Funding to correct existing deficiencies must come from non-developer sources such as TransNet, Gas Tax, grants or other sources.
- Q11. What kinds of improvements are included?
- A11. The program includes widening of existing state and local road segments, widening and improvement of intersections, construction of new road connections, roundabouts, and in one community a downtown public parking lot to encourage traffic diversion to parallel local streets. However, each of these listed improvements is only a possible project at this time and is used only for fee calculation. At the time of actual construction, each project must go through preliminary design and full CEQA including consideration of alternative improvements that would provide the same (or better) network improvement as those on the list. The program has been crafted to allow implementation of the best improvement at the time the construction project is being designed.
- Q12. Won't the County have to wait a long time until all funds are received to build the ultimate improvements?
- A12. No. The program includes authorization to build interim improvements as money is received, providing incremental progress and measurable benefits such as increased capacity or traffic flow earlier in the program.

- Q13. It seems these impact fees will be used to build more roads, which will encourage more development to come in. Isn't this really just a growth-inducing program?
- A13. Roads included in the TIF are only those that are needed to support the approved County General Plan. The General Plan is the appropriate tool to regulate growth; this fee program is used to implement the road network identified in that governing document.
- Q14. How will the County go about actually building the transportation improvement projects and how long will it take?
- A14. Annually the Department of Public Works will prepare a Detailed Work Plan that includes impact fee funded projects. This plan will be approved by the Board of Supervisors as part of the County budget process. This plan includes a schedule for construction of each improvement.
- Q15. How will adoption of this fee affect the price of a new home in the County?
- A15. It depends on the specific lot. Small developments could see the cost of preparing a cumulative traffic study (\$20,000 - \$30,000) significantly reduced and the time for completing review of traffic impacts significantly shortened; these savings will offset the impact fee in some cases.
- While all projects must currently mitigate their cumulative traffic impacts, some projects have waited for others to improve roads then proceeded with little or no contribution toward future roads. In these cases the new home cost in the development that paid for the entire road improvement will decrease and the cost of the new home in the development that avoided constructing the road will increase as they will now be required to pay their fair-share under the fee.
- There will be an increase for any homes that previously used "over-riding findings" in the CEQA process to avoid high cost road improvements, but which now will be required to pay a share of the future improvements.
- Worst case- even with no offsetting savings the highest of the impact fees is only 1.4% of median home costs and the average impact fee is less than 1 % of median home costs.
- Q16. Why doesn't this program include improvements to the Interstate system like I-15, I-8, or I-5 ?
- A16. The existing congestion of interstates is a regional and multi-regional issue and requires a multi-regional solution. County interstates carry commuter traffic from Los Angeles, Riverside, Orange, and Imperial Counties as well as traffic from Mexico. It would not be appropriate for the County program to place the burden for correcting these problems solely on developers in the unincorporated area. Instead the County will continue participation in regional traffic solutions through direct improvements to the State Highways and Regional Arterial System, support for federal grants, and provision of the extended TransNet.

Q17. If a development builds roads how do I get credit against the TIF?

A17. There are 2 mechanisms included in the program to address this issue, one involves credit and the other involves reimbursement; but both require that the constructed roads are ones that the fee program intended to eventually build. The list of those roads is included in the adopted engineer's reports. The credit provision would allow reduction of impact fees for the development equal to the cost of constructing a qualified road improvement. The reimbursement provision allows the County to enter into an agreement whereby qualified construction costs (over a project's fair-share) can be repaid.

Q18 Will this fee fully mitigate my project's cumulative impacts?

A18 In most cases, Yes. The adopted engineer's reports and traffic projections will allow many projects to use the projection method of analyzing cumulative impacts as provided in section 15130(b1B) of CEQA guidelines. The fee will then offer most projects the mechanism to mitigate their share of a cumulative impact. The County will then use impact fees to fund construction of the development portion of needed road improvements, and Gas Tax, TransNet, or other moneys to fund the portion needed to fix existing deficiencies. However, there will be some projects that increase density (such as a rezone, General Plan Amendment, or Specific Plan) where the adopted projections do not adequately analyze their cumulative impact and they must augment with additional study to meet the CEQA requirements. There will be some projects that have both a cumulative and a direct impact; these projects will need to build the road improvements to insure the mitigation is in-place prior to their impact. In these cases, if the improvements they make are also listed as Impact Fee road enhancements, those projects may be eligible for reimbursement or credit as discussed above.

Q19. Will the amount of this fee change over time?

A19. Yes. The Board of supervisors has the continuing ability to adjust this fee as provided in the State code. In addition, the amount of the impact fees are indexed to the current construction costs as reported in the publication "Engineering News Record". This indexing protects the ability to actually construct the required improvements in the future.

Q20. I understand the recent voter-approved TransNet reauthorization (Proposition A) includes a requirement for governmental agencies to collect a \$2,000 fee per unit from all new residential development. Will the County be charging this \$2,000 fee - in addition to the proposed County impact fees?

A20. No. The County's proposed impact fees will also satisfy the new TransNet requirement. In fact, the County will be the first agency in the region to take action toward complying with this requirement.